Flexible Retirement Policy (Surrey and Sussex) (1032/2024)

## Abstract

This policy and procedure details Surrey Police's and Sussex Police's approach to flexible retirement options provided in the Local Government Pension Scheme (LGPS).

Any queries regarding this policy should be directed the People Resolution Centre (PRC) in the first instance.

## Policy

### 1. Introduction

1.1 Flexible Retirement is a scheme that allows qualifying members of the Local Government Pension Scheme (LGPS) to apply to receive their pension early, whilst remaining in employment. It essentially gives qualifying employees flexibility and choice with an increased opportunity to achieve the desired work / life balance, whilst assisting staff to ease into retirement.

1.2 Flexible retirement under the LGPS is an option for an individual to consider and apply for if they are over the age of 55 and are reducing their hours and/or moving to a lower graded job. It is subject to employer consent.

### 2. Scope

2.1 This policy, supporting procedures and documentation details Surrey Police and Sussex Police's approach to flexible retirement options provided by the LGPS and clearly defines the criteria which will be applied when processing a flexible retirement request.

### 3. Policy Statement

3.1 Surrey Police and Sussex Police will consider all applications for flexible retirement under the LGPS on their individual merits, however, flexible retirements will only be granted where there is no detriment to the service provided and it is of sound economic benefit to the relevant Force. More information can be provided in each Forces' LGPS Discretionary Policy (LGPS Discretions Policy - Surrey / LGPS including Discretion Policy (1160) - Sussex).

## Procedure

### 1. Eligibility under the LGPS

1.1 To be considered for flexible retirement under the LGPS, an individual must:

• Be a member of staff with 2 years or more membership (or three or more months if membership commenced prior to 1 April 2014), including any transferred-in membership of the LGPS; and

• Be aged between 55 years and 74 years and 364 days; and

• Reduce their hours by a minimum of 20% in their current job, or go down at least one pay grade, in a new position.

**2. Applying for Flexible Retirement - General Points**

2.1 There are a number of important points regarding an application as follows:

• The ultimate decision as to whether to approve a request for flexible retirement remains with the relevant Force (Surrey or Sussex as applicable) in accordance with the Force's LGPS policy. The Flexible Retirement Request Form must be signed by the Head of Resourcing, Talent & People Performance and where appropriate the Executive Director of Commercial and Financial Services or their delegated authority when there are associated costs.

An individual can apply for flexible retirement once per calendar year. Exceptional circumstances may allow an individual to make a second application within this period. This will be at the discretion of the Head of Resourcing, Talent & People Performance.

• There cannot be a trial period for flexible retirement.

• Pension benefits paid prior to normal pension age will usually attract an actuarial reduction. The level of reduction will be detailed within the flexible retirement quotation and will vary for each member.

• There is no need for a break in continuity of service upon commencement of flexible retirement.

• It should be noted that the support of the individual's line manager does not guarantee that the flexible retirement request will be approved.

• For flexible retirement that involves a new position this will be subject to a vacancy being available and normal recruitment and selection processes will apply.

• The whole process will be completed as soon as practical. It is anticipated that all the stages will be met within reasonable timescales. However, deadlines are not guaranteed and are subject to change.

• There is a right of appeal against the decision taken by the Head of Resourcing, Talent & People Performance (see details below).

To obtain a quote and apply for flexible retirement please fill in the Flexible Retirement Request Form. For information on the process that is followed once an application has been made, please refer to the Flexible Retirement Flowchart.

The Retirement Toolkit provides information to assist individuals who are considering their retirement. It will provide you with an overall summary of the key points to consider and signpost you to more detailed information.

## 3. Actuarial Reduction

3.1 Individuals concerned about the actuarial reduction in their pension benefits (members under normal pension age) can consider paying in Additional Voluntary Contributions (AVCs) or purchasing additional pension contributions into the scheme.

Further information is available from the Pensions team at Surrey County Council (SCC) for Surrey employees and at Hampshire Pension Services (HCC) for Sussex employees.

It is recommended that an individual seeks independent financial advice before reaching a final decision regarding their flexible retirement.

3.2 Any additional pension contributions paid to purchase additional pension are subject to a limit. Additional pension contributions can currently buy up to a maximum of £8,344 of extra pension, which may not allow them to retire earlier with no reduction to their pension benefits, but it will enhance their final pension benefits.

3.3 Either Force has the ability to waive the actuarial reductions for early payment of benefits. This option will be considered on extreme compassionate grounds in accordance with the relevant Force's LGPS Discretionary Policy (LGPS Discretions Policy - Surrey or LGPS including Discretion Policy (1160) - Sussex). This will be considered and decided by both the Head of Resourcing, Talent & People Performance and the Executive Director of Commercial and Financial Services.

3.4 Whilst either Force has the option to waive the actuarial reduction of early payment of benefits, they are not automatically able to do this when the individual is between the age of 55 and 60 where the 85-year rule is met (i.e. if you add age and length of service in whole years and this equates to 85). In exceptional circumstances either Force can agree to switch on the 85-year rule, which may mitigate reductions that would, otherwise, apply but there would be requirement to make a capital payment (a pension strain cost that the employer would be required to pay). In these instances, the Pensions Technical Lead will review all the relevant information and obtain a final decision from Head of Resourcing, Talent & People Performance and the Executive Director of Commercial and Financial Services.

3.5 Any decision to waive the actuarial reduction of an application in no way sets a precedent. Each application will be considered on its individual merits.

## 4. Appeal Process and Final Decision

4.1 If the request does not have the support of management during the initial stages of the process the individual may appeal in writing to their Divisional / Departmental Head of SMT.

4.2 Employer's consent will take the form of signed approval from the Head Resourcing, Talent & People Performance, or their delegated authority.

4.3 No final decision will be made by the Head of Resourcing, Talent & People Performance on an application for flexible retirement without the request form and the pension quotation from HCC or SCC as applicable.

4.4 If the request is not approved by the Head of Resourcing, Talent & People Performance (or their delegated authority), the individual has the option to appeal against the decision. The grounds for the appeal must be set out in writing to the Head of People Operations within 14 days of receipt of the decision. The Head of People Operations (or a nominated officer at an appropriate grade) will review the decision and notify the individual and line manager of the decision which will be final.

**5. Flexible Retirement when Changing to a New Position**

5.1 Where an individual is requesting flexible retirement when changing their role, they will enter into the recruitment process in the same way as all other candidates. When applying for a new role, the individual will need to inform their line manager. They will also need to apply for flexible retirement by completing the Flexible Retirement Request Form.

5.2 Employers consent will take the form of the signed approval from the Head of Resourcing, Talent & People Performance or their delegated authority.

5.3 No final decision will be made by the Head of Resourcing, Talent & People Performance on an application for flexible retirement without the request form and the pension quotation from HCC or SCC as applicable.

5.4 If the request is not approved by the Head of Resourcing, Talent & People Performance (or their delegated authority), the individual has the option to appeal against the decision. The grounds for the appeal must be set out in writing to the Head of People Operations within 14 days of receipt of the decision. The Head of People Operations (or a nominated officer at an appropriate grade) will review the decision and notify the individual and line manager of the decision which will be final.

**6. Once Flexibly Retired**

6.1 Once the flexible retirement is processed the individual will receive a separate payslip with their pension details. It should be noted that an individual's tax allowance will be allocated to either the employment or the pension payment; it cannot be applied to both. It is the employee's responsibility to contact the tax office and arrange their allocation of tax allowances.

6.2 An individual cannot revert to their previous, or another, higher graded role or increase hours once the flexible retirement has been agreed.

6.3 Increases to hours or salary following flexible retirement will only be permitted in certain circumstances where it meets the needs of the business and will be subject to the approval of the Head of Resourcing, Talent & People Performance / relevant Chief Officer.

6.4 An individual's flexibly retired pension will not be subject to abatement. This means the reduced salary and the pension's benefits received may total more than the previous salary, without adjustment.

6.5 An individual can continue (up to the age of 75) to pay into their LGPS fund whilst receiving their flexible retirement benefits to build up further pension’s benefits.

6.6 Should an individual leave their Force once they have claimed their flexible retirement benefits, they will continue to receive their pension benefits.

## 7. Employment Data

7.1 Surrey Police and Sussex Police collect and process personal data relating to police officers and police staff to manage the employment relationship. It is important that individuals understand how that data is collected and used in order to meet the Force's data protection obligations. Further details can be located on the intranet by searching for 'Privacy Notice'.

**Team:** People Services Department